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SENATE PASSES BROWNBACK LEGISLATION TO SIMPLIFY TAXATION OF WIRELESS CALLS

WASHINGTON – As author of the Senate version (S.1755) of the Mobile Telecommunications Sourcing Act, U.S. Sen. Sam Brownback today said he is pleased with the Senate's passage of the substantively identical House version (H.R. 4391) of the Mobile Telecommunications Sourcing Act. H.R. 4391 will bring about the simplification of wireless call taxation; it now heads to the president.

"The Mobile Telecommunications Sourcing Act represents an historic agreement between state and local governments and the wireless industry to bring sanity to the manner in which wireless telecommunications services are taxed," Brownback said. "This legislation is the product of more than three year's worth of negotiations between the governors, cities, state tax and local tax authorities, and the wireless industry.

"For as long as we have had wireless telecommunications in this country, we have had a taxation system that is incredibly complex for carriers and costly for consumers. Today, there are several different methodologies that determine whether a taxing jurisdiction may tax a wireless call.

"The current system is simply not sustainable as wireless calls represent an increasing portion of the total number of calls made throughout the United States. To reduce the cost of making wireless calls, Senator Dorgan and I introduced S. 1755, the Mobile Telecommunications Sourcing Act. The bill we passed today that we received from the House is substantively identical to our bill. While the current bill amends title 4 rather than title 47 and represents the drafting style of the House rather than the Senate, the legislation uses our language to accomplish our mutual goal.

"The legislation would create a nationwide, uniform system for the taxation of wireless calls. The only jurisdictions that would have the authority to tax mobile calls would be the taxing authorities of the customer's place of primary use, which would essentially be the customer's home or office.

"By creating this uniform system, Congress is greatly simplifying the taxation and billing of wireless calls. The wireless industry will not have to keep track of multiple taxing laws for each wireless transaction. State and local taxing authorities will be relieved of burdensome audit and oversight responsibilities without losing the authority to tax wireless calls. And, most importantly, consumers will see reduced wireless rates and fewer billing headaches.

"The Mobile Telecommunications Sourcing Act is a win-win-win. It's a win for industry, a win for government, and a win for consumers. I thank Senator Dorgan for working with me in crafting our bill. And I would like to commend the House for sending the Senate the bill before us. And, most of all, I thank the groups outside of Congress for coming together and reaching agreement on this important

issue,” Brownback said.

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